

VZCZCXRO9033
OO RUEHFK RUEHKS RUEHNH
DE RUEHKO #2780/01 2800817
ZNY CCCCC ZZH
O 060817Z OCT 08
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7742
INFO RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 5700
RUEHBY/AMEMBASSY CANBERRA IMMEDIATE 2803
RUEHUL/AMEMBASSY SEOUL IMMEDIATE 1695
RUEHFK/AMCONSUL FUKUOKA IMMEDIATE 0233
RUEHNH/AMCONSUL NAHA IMMEDIATE 2589
RUEHOK/AMCONSUL OSAKA KOBE IMMEDIATE 3978
RUEHKS/AMCONSUL SAPPORO IMMEDIATE 0809
RUEHIN/AIT TAIPEI IMMEDIATE 7161
RUEAIIA/CIA WASHDC IMMEDIATE
RUCPDO/DEPT OF COMMERCE WASHINGTON DC IMMEDIATE
RHEFDIA/DIA WASHINGTON DC IMMEDIATE
RHHMUNA/HQ USPACOM HONOLULU HI IMMEDIATE
RHEHAAA/NSC WASHDC IMMEDIATE
RUEATRS/TREASURY DEPT WASHDC IMMEDIATE
RHMFISS/USFJ IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 002780

SIPDIS

E.O. 12958: DECL: 10/05/2018

TAGS: [PGOV](#) [ECON](#) [JA](#)

SUBJECT: ELECTION TIMING UNCERTAIN; EARLY NOVEMBER UNLIKELY

REF: TOKYO 2729

Classified By: Ambassador J. Thomas Schieffer, reasons 1.4(b),(d).

11. (C) Summary. Lower than hoped poll numbers for Prime Minister Aso, domestic economic concerns, and the need to deal with the international financial crisis continue to reduce the chances for early elections in Japan. The ruling LDP and DPJ opposition have been unable to agree on a timetable for the budget bill, passage of which Aso has made a precondition for holding elections. LDP leaders are split on the timing for elections: some argue for delaying until after PM Aso has had a chance to gain passage of the budget bill and pursue other legislative priorities -- including the bill to extend Japan's Indian Ocean refueling efforts -- while others warn a delay will weaken PM Aso by giving the opposition more time for attacks. For his part, the PM has publicly stated that he is not considering dissolving the Diet at this time. End Summary.

12. (C) The ruling coalition and opposition have yet to agree on the timing for deliberating a supplementary budget bill, dissolving the Lower House, or calling a snap election, despite almost two weeks of negotiations and public posturing by both sides. The fundamental issue at stake is when to hold the next Lower House election. Leaders of the ruling Liberal Democratic Party (LDP) and ruling coalition partner Komeito had initially planned to dissolve the current Diet session as early as October 3 for elections on November 2, hoping to capitalize on the popularity of recently elected Prime Minister Taro Aso and his new Cabinet.

13. (C) However, lower-than-hoped-for cabinet support rates (in the low-to-upper 40s), economic difficulties at home and abroad, and a series of scandal allegations and verbal miscues involving administration officials have dampened enthusiasm for an early election. More sobering still are internal LDP predictions showing that the ruling coalition could take as few as 215 of 480 Lower House seats if an election were held today. Opinion poll data released by the Asahi Shimbun on October 6 shows that the cabinet support rate has already declined in the 10 days since the new Cabinet was appointed, as has the support rate for the LDP. Media attribute the drop to continuing economic worries and the resignation of Transportation Minister Nariaki Nakayama after a series of missteps.

¶4. (C) Prime Minister Aso and other LDP leaders have remarked repeatedly to the press that they are not locked into any particular timing for the election, and have intimated that it could be delayed further into November or beyond. The future of the economy is the "largest public concern at the present," Aso declared during a meeting of the Lower House Budget Committee on October 6, "and I am not considering dissolving the Lower House at this time." Postponing the election would give the ruling coalition a chance to pass a supplementary budget intended to help stimulate the weakening economy (-3.0% growth annualized for the second quarter of 2008) and pursue other legislative priorities aimed at improving the ruling coalition's electoral prospects.

¶5. (C) Working in favor of this argument is the sense that the Japanese public would rather keep lawmakers in place in Tokyo during a time of global financial turmoil, in case urgent action is required. LDP Diet Affairs Chair Tadamori Oshima alluded to this sentiment when he spoke out against creating a "political vacuum" during an appearance on a popular Sunday talk show on October 5. Oshima also expressed his intention to move forward with deliberations on a bill to extend Japanese Maritime Self-Defense Forces refueling efforts in the Indian Ocean in support of Operation Enduring Freedom. Staunch DPJ opposition to the measure almost assures that the ruling coalition will need to put the bill to a second vote in the Lower House, where it can override decisions of the Upper House using its two-thirds majority. Komeito Diet Affairs Chair Yoshio Urushibara suggested that Komeito is no longer averse to using the override during his

TOKYO 00002780 002 OF 002

own Sunday television appearance.

¶6. (C) Further complicating the dissolution/election timing dynamic are Komeito fears of a prolonged Diet investigation into unflattering allegations leveled against the junior coalition partner and its Soka Gakkai religious backers by one of its former leaders. Some LDP lawmakers have also expressed concern that further delays will only cost the ruling parties additional seats given that, the lengthier the Diet session, the more opportunities the opposition will have to unearth scandals and criticize the ruling coalition. One prominent LDP staffer told the Embassy recently that the date is irrelevant, given the likely negative outcome.

¶7. (C) The Lower House Budget Committee has formally decided to deliberate the budget measure on October 6 and 7, with an eye to taking a vote in the Lower House on October 8, but the opposition has yet to agree to a specific timeline. Budget bills must be submitted to the Lower House first, and the decision of the Lower House takes precedence over the Upper House, regardless of whether the opposition-controlled Upper House votes yea or nay. The problem for the ruling coalition is that the Upper House is allowed to hold budget legislation for up to 30 days before the Lower House can assert its primacy. New Finance Minister Shoichi Nakagawa's expected departure for a G-7 finance-related meeting in Washington on October 10 could delay proceedings even further, since his presence will be required during any substantive deliberations on the budget bill. Embassy contacts concede that they are unable to predict the timing for election at this point, but are clearly leaning away from an early November date. A Lower House election must be announced at least 12 days in advance.

SCHIEFFER